

**REMARKS**

In view of the above amendment, applicant believes the pending application is in condition for allowance.

In view of the above amendment, applicant believes the pending application is in condition for allowance. Applicant thanks the Examiner for the allowance of claims 12, 15, 22 and 23.

Claims 10, 11, 13, 14, 16 and 20 are rejected under 35 USC 103(a) as being unpatentable over both cited Litman patents. Claims 17-19 and 21 are rejected under 35 USC 103(a) as unpatentable over the Litman patents in view of Dames.

The amendments to the claims appearing herein are believed to dispose of the § 112 rejection of claims 24-27 as stated in paragraph 2 of the Office Action.

According to the proposed amendment of the rejected claims, the invention is now recited that as a security tag including a thread that is positively recited as a loop that passes through a label. This is clearly supported by Figs. 4 to 6, and description on page 7, lines 14 to 18 and page 14, lines 15 to 20. As is clearly stated on page 14, lines 14 to 18, the security thread is deformed into a ring shape, elliptical shape or 8-shape, for securing a label thereto. This feature of having such a loop shape is not disclosed or suggested by any of the cited references wherein planar strips or threads are embedded in documents. As such, the prior art security threads could not be used in applications such as that of the claimed invention, for example as article hang tags.

In particular, the primary Litman patents do mention the use of security tags as claimed but rather only addresses a security label structure including a security looped thread to which an ordinary label may be secured. In other words the amended claims deal with a two component tag including label and security thread whereas Litman only addresses a security label structure. This is clear from both Litman references (see Litman '500, col 12, lines 36-62 or '406 col 21, lines 30-33). For example in Liman '500 the mentioned portion of the specification states:

The method of attachment of the individual strips to the final article of commerce can be important. Where a label is used, the label can be stitched or adhesively attached to the article. There are benefits and disadvantages to either method. Stitching of the label is inexpensive, but the labels can be readily removed and recycled, which provides a means for creating an illegal market in authentic tags. Normal pressure sensitive adhesives can also be stripped from the label or the clothing, but are very easily applied. Thermal adhesives can be less readily stripped, but the less expensive and less durable magnetic materials may be adversely affected by the heat of lamination. The preferred adhesive system is the use of curable adhesives which further polymerize after the layers are contacted. This further cure may be activated by intermediate and transient exposure to radiation which initiates active curing components, light thermal treatment, or humidity. Active polymerizing agents may also be added to the composition which is immediately applied to the label and the label applied to the garment. The most preferred embodiment is as follows. Filaments or patterns of magnetic materials may be dispersed or placed within a water soluble film material (e.g., polyvinyl alcohol, polyvinyl pyrrolidone, pectin films (e.g., amylopectin) and the like

The secondary reference to Dames deals with a security thread in a paper based document but again there is no tag structure comparable to the invention.

For the aforementioned reasons the amended claims are believed to be allowable. Therefore reconsideration of the application and favorable action thereon is courteously solicited.

In view of the above, consideration and allowance are, therefore, respectfully solicited.

In the event the Examiner believes an interview might serve to advance the prosecution of this application in any way, the undersigned attorney is available at the telephone number noted below.

The Director is hereby authorized to charge any fees, or credit any overpayment, associated with this communication, including any extension fees, to CBLH Deposit Account No. 22-0185, under Order No. 21900-00021-US from which the undersigned is authorized to draw.

Dated: March 28, 2007

Respectfully submitted,

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